Source to Pay Project

Lead Change Agents Meeting

April 26, 2018

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Agenda

Project Update

Process Awareness Session Update

Change Readiness Assessment Results

Poster 1 Feedback and Poster 2 Preview

Training Curriculum

Supplier Enablement

Open Discussion

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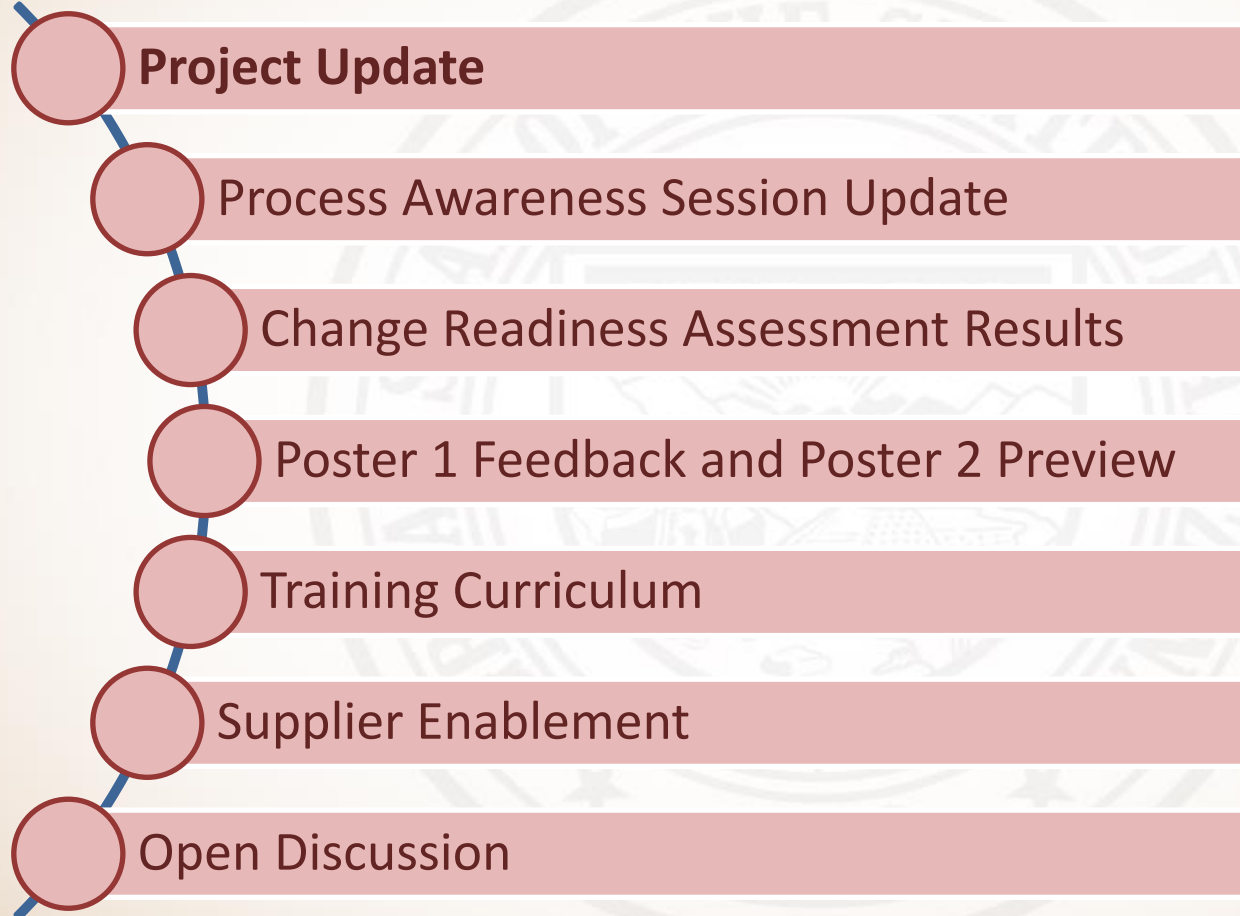
Project Update – Status Dashboard

Accomplishments

- Project is on budget with a delay in technical design completion. The technical team has been delayed obtaining contract data for conversion designs. On schedule to attain cutover milestones.
- Conducted April Executive Steering Committee and Project Board meetings
- Continued Build activities
- Updated training plans and course outlines and started training material development
- Continued Supplier Enablement activities
- Conducted roadshows for the monthly CPO, CIO, and CFO meetings

Planned Deliverables and Milestones

- Technical Integration Design completion by 4/30
- Finalize CGI integration SOW for build and implementation by 4/30
- Finalize Cutover and Test Plan
- Conduct Lead Change Agent meeting on 4/26
- Conduct Build Review II Checkpoint on 5/3
- Continue training material development
- Continue conducting Agency roadshows – DOR 4/24, CFO (large) 4/25

Project Health

Schedule   **Cost**   **Readiness**   **Resources**

Schedule: Overall project is on schedule with risks being managed in the technical design and conversion workstreams.

Cost: Project tracking to planned cost schedule

Org Readiness: Training development activities on track. Increasing level of outreach to Agencies and stakeholder organizations (CPO, CIO, CFO)

Resources: Additional funds requested to meet original planned cost
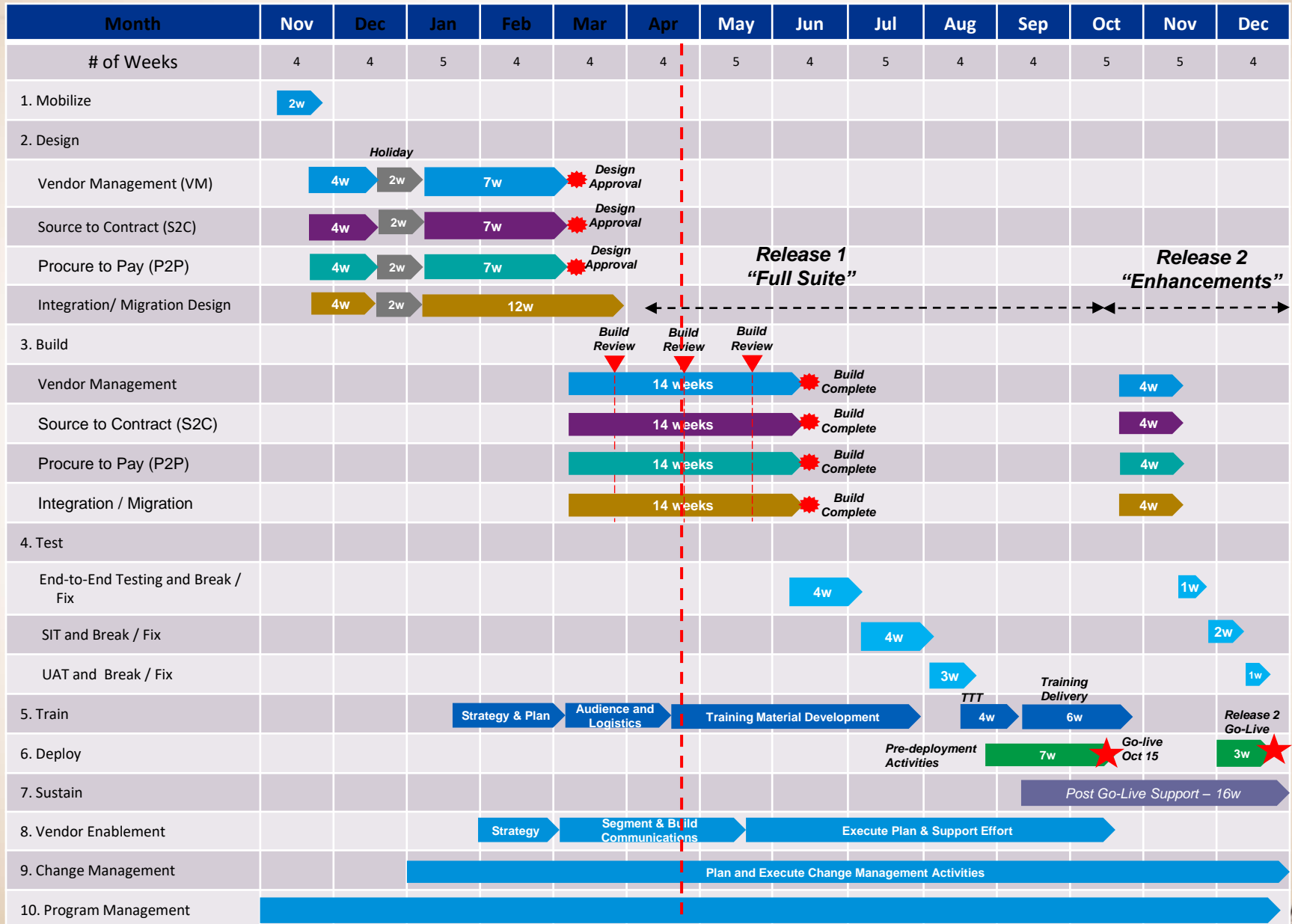
Risks, Issues, and Decisions

Risks:
- Executive Leadership Changes – SPO
- Fiscal Year End Activities
- ADOT Exempt (ECS, C&S) an ADOT Release will be required – Ivalua/KPMG working with core team on scoping
- Organizational readiness
- Budget
- ProcureAZ transition requirements
- Integrations and conversions

Issues:
- Delay in AFIS integration design completion – target April 30
- Delay in obtaining ProcureAZ contract data for conversion design – Periscope task order finalized
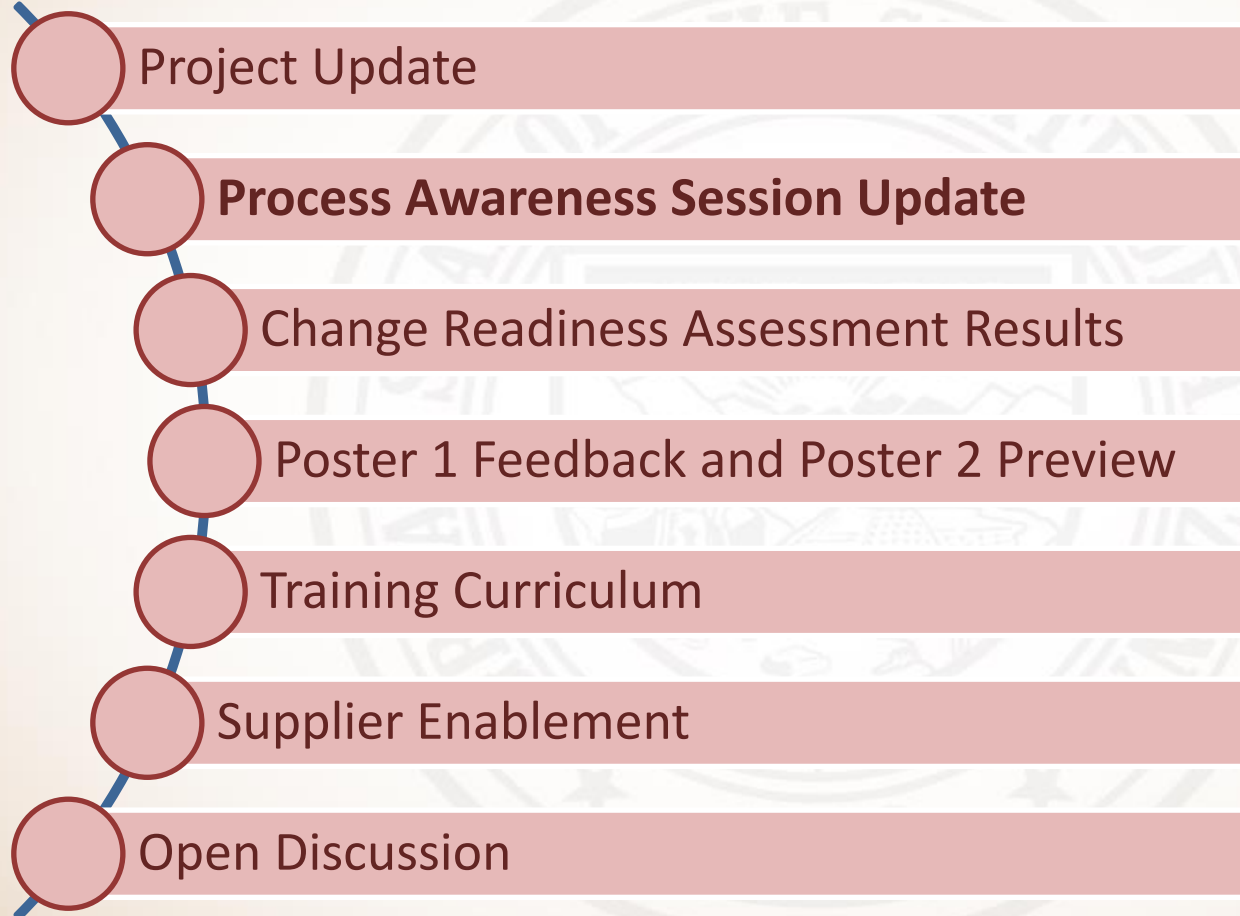- SPO Executive Leadership changes

Decisions: None

Project Update – Timeline

Month	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
# of Weeks	4	4	5	4	4	4	5	4	5	4	4	5	5	4
1. Mobilize	2w													
2. Design		Holiday												
Vendor Management (VM)	4w	2w	7w		Design Approval									
Source to Contract (S2C)	4w	2w	7w		Design Approval									
Procure to Pay (P2P)	4w	2w	7w		Design Approval									
Integration/ Migration Design	4w	2w	12w											
3. Build					Build Review	Build Review	Build Review							
Vendor Management					14 weeks		Build Complete						4w	
Source to Contract (S2C)					14 weeks		Build Complete						4w	
Procure to Pay (P2P)					14 weeks		Build Complete						4w	
Integration / Migration					14 weeks		Build Complete						4w	
4. Test														
End-to-End Testing and Break / Fix								4w					1w	
SIT and Break / Fix								4w					2w	
UAT and Break / Fix									3w				1w	
5. Train				Strategy & Plan	Audience and Logistics		Training Material Development		TTT 4w	Training Delivery 6w			Release 2 Go-Live	
6. Deploy							Pre-deployment Activities	7w	Go-live Oct 15 ★				3w ★	
7. Sustain									Post Go-Live Support – 16w					
8. Vendor Enablement				Strategy	Segment & Build Communications		Execute Plan & Support Effort							
9. Change Management				Plan and Execute Change Management Activities										
10. Program Management														

Release 1 "Full Suite"

Release 2 "Enhancements"

■ Major Project Milestones

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Process Awareness Sessions Coming Soon

Objective

The objective of process awareness sessions is to provide ProcureAZ users with a high-level overview of the way procurement processes will be implemented in the new system.

Outcomes

The process awareness sessions are <u>not</u> designed to be a substitute for training. Instead, **process awareness is designed to**:

1. Build user awareness of future processes and benefits
2. Answer agency user questions and gather feedback for the core team

Strategy

Core change agents best understand the current processes and how to relate that knowledge to the new system. Our strategy is for change agents to learn the new system and deliver the process awareness sessions to agency users.

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Timeline

Core change agents participate in design sessions

Core change agents participate in "trainer" workshop (at SPO) 05/14/2018 – 05/18/2018

Core change agents and **agency change agents** facilitate user process awareness sessions via webinar) 5/22/2018 – 7/28/2018

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Delivery Approach

End users will participate in process awareness sessions specific to their roles.

New Role	ProcureAZ Role	User Count	Delivery	Module	Duration	Total Sessions
Procurement 1,2,3	Basic Purchasing	258	In-person	VM/P2P/S2C	140	8
Requisitioner	Department Access	2283	Virtual	P2P	60	23
Approver Receiver Finance	Department Access	1143	Virtual	P2P	60	12
AP Supervisor, Tech	AP and AP Super	527	Virtual	P2P	60	6
System Admin Agency Admin	Org Admin Internal Admins	62	In-person	VM/P2P/S2C	140	2
VM Team	Vendor Admins	17	In-person	VM	30	1

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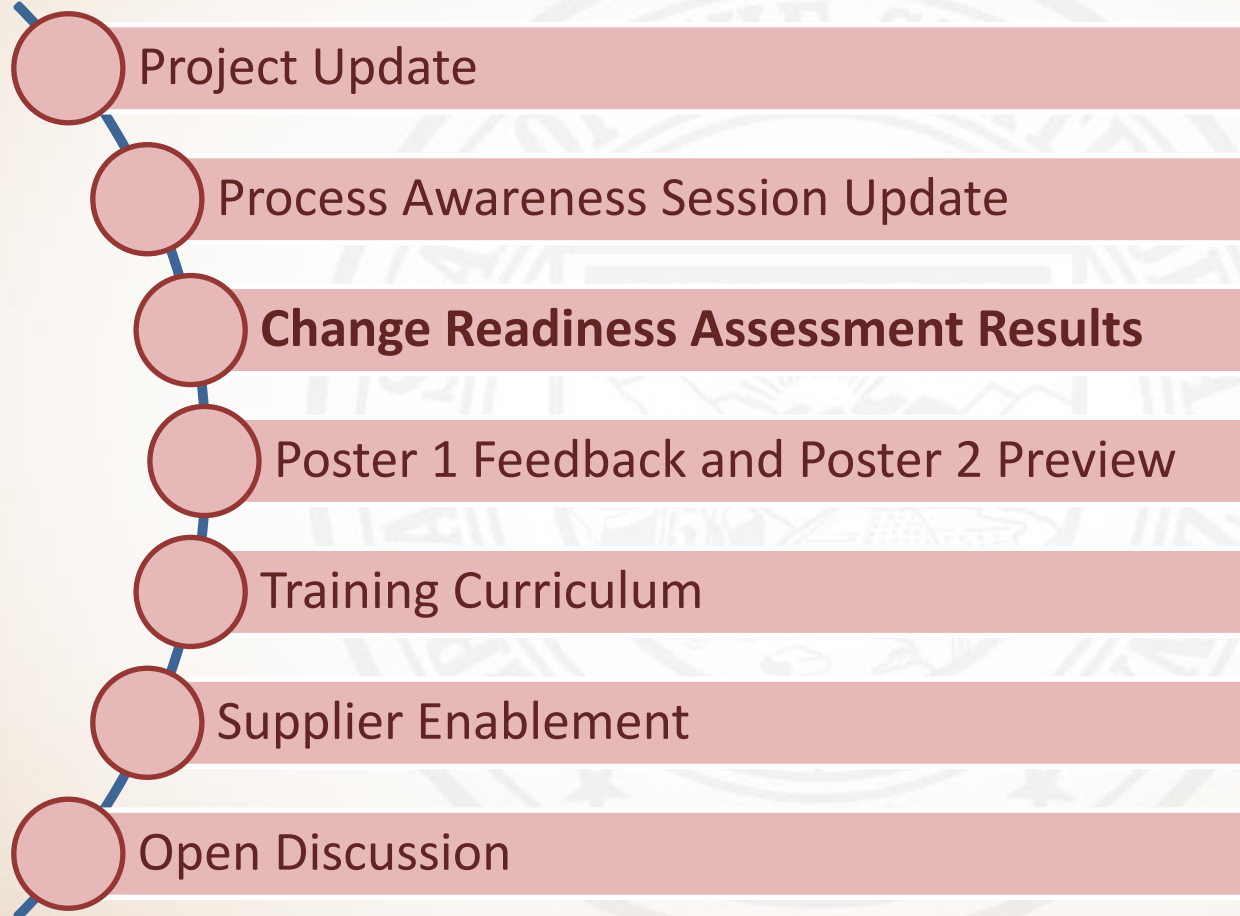
Sampling of Some of the Survey Questions

Theme	Questions
Awareness/ Understanding	• I understand why we are moving to the S2P program. • I understand how S2P will impact me. • I understand the benefits that S2P will provide my work team. • I believe I am receiving accurate and helpful information about the S2P program on a regular basis.
Leadership	• My manager/supervisor is able to answer questions I may have regarding the S2P program. • I know who to see within my agency to address my questions or concerns about the S2P program.
Enablement	• I believe my work team has sufficient resources in place to implement the changes required. • I understand the changes we will be making to the steps involved in buying and paying for goods and services. • I am confident that implementing the S2P program will help me do my job faster and better.
Communication	• The key S2P program dates and activities that affect my team/organization have been communicated to me. • My manager/supervisor talks to me about the support that is expected from me for the S2P program.

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Change Readiness Results

Users were asked to rate their responses based on a 1-5 rating scale:
(1-Strongly Disagree 2-Disagree 3-Neutral 4-Agree 5-Strongly Agree)

Scoring System		
Change Readiness Theme	# of Respondents	Average Scoring
Awareness/Understanding	1183	3.14
Leadership	1171	2.97
Enablement	1180	3.00
Communication	1185	3.51

Scoring System	
Level	Score
Low	1.00-2.24
Medium	2.25-3.49
High	3.50-5.00

Note: Scores appear higher than usual based on the high percentage of neutral ratings (3).

43% I understand why we are moving to S2P

22% I understand the benefits that S2P will provide to my work team

27% I understand how S2P will impact me

17% I am receiving helpful information about S2P on a regular basis

16% My manage is able to answer questions I may have regarding S2P

44% I am looking forward to working in the new system.

40% Survey Response Rate

11
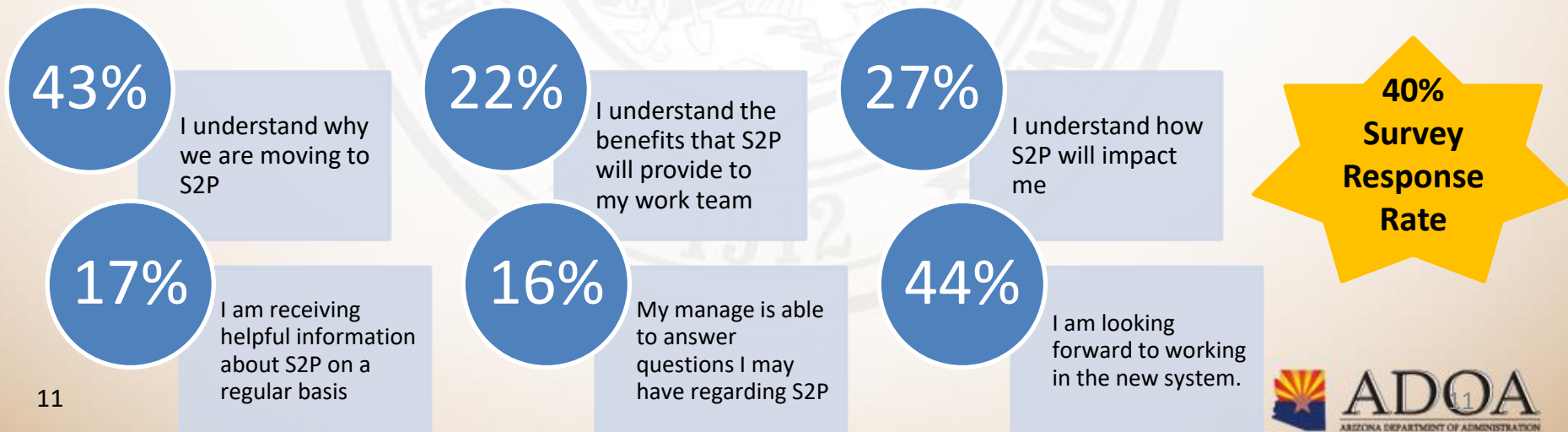
Change Readiness Findings and Recommendations

Findings

- Agency leaders are not informed and are unable to adequately answer questions about S2P.

- Communication is not being cascaded down to end users.

- Leadership engagement is low.

- End users do not fully understand what's changing and how the changes will impact their current roles.

- End users have a strong desire for more communications, information, and training

Recommendations

- Roadshows will be conducted at the agencies to build awareness and increase engagement

- S2P updates will be given monthly at key executive forums like CPO, CIO, and CFO.

- Informational sessions will be held for managers and end users to gain more understanding of S2P

- Upcoming Process Awareness Sessions will help to build awareness and knowledge of process changes and impacts

- Clear expectations will be set with Agency Change Agents around communicating project updates within their agency

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Participation By Agency

At which agency, board, or commission do you work?	Participation Rate	Number of Responses
Administration, Department of	59%	70/119
Agriculture, Department of	33%	11/33
Arizona State Parks	36%	20/56
Arizona State Schools for the Deaf and the Blind	47%	42/92
Attorney General's Office	36%	44/122
Child Safety, Department of	51%	37/72
Corrections, Department of	34%	135/393
Economic Security	40%	122/301
Education, Department of	59%	67/113
Emergency and Military Affairs, Department	29%	30/103
Environmental Quality, Dept. of	31%	42/135
Game and Fish Department	45%	84/184
Health Care Cost Containment System – AHCCCS	36%	24/67
Health Services	46%	61/133
Historical Society, Arizona	52%	11/21
Industrial Commission	27%	17/62
Insurance Department	50%	4/8
Juvenile Corrections	34%	18/53
Land Department	40%	4/10
Lottery	45%	14/31
Public Safety, Dept. of	40%	75/189
Revenue, Department of	50%	21/42
Transportation, Dept. of	54%	165/304
Veterans' Services	43%	21/49
Water Infrastructure Finance Authority	80%	4/5
Water Resources, Department of	67%	6/9
Other (please specify)		20

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- **Poster 1 Feedback and Poster 2 Preview**

- Training Curriculum

- Supplier Enablement

- Open Discussion

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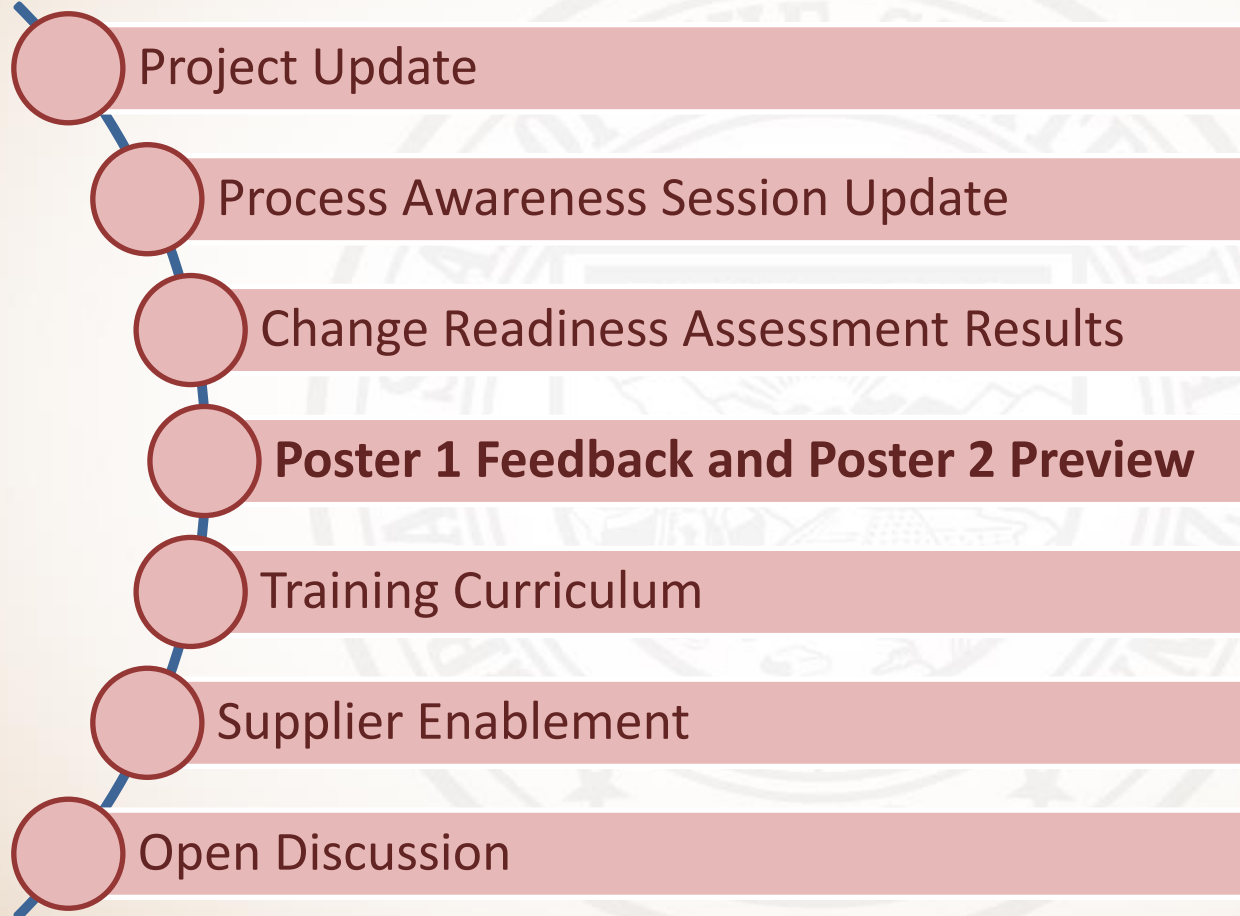
Source to Pay (S2P)

A new procurement system coming soon...

Fall 2018

The State of Arizona is replacing it's current Source to Pay (S2P) system, ProcureAZ, with a new system. The objectives of implementing the new system are to make it easier for vendors to offer their goods and services and to make it easier to buy and pay for these goods and services. The Source to Pay (S2P) system will also improve the consistency and efficiency of the State's buying processes.

What are the benefits?

Handle all aspects of procurement, from registering and contracting with vendors through placing orders and approving payments.

Expand and simplify management access to reports.

Provide the public an easy to use portal to register as a vendor, subscribe to receive bid opportunities, view contract information and securely submit confidential bid information.

Increase efficiency and consistency for vendors and the State by providing one S2P system that better meets everyone's needs.

Allow vendors to more easily provide information about products/services they offer, allow the State to create catalogs of items/services to make it easier for State buyers to find what they need.

Scope

Vendor management
- **Vendor Portal:** Vendor Registration, Full Enrollment, Account Management
- **Vendor Management:** Vendor Assessments, Improvement Plans, Exception Management

Source to contract
- **Strategic Sourcing:** Prepare Sourcing Project, Create and Distribute Solicitations, Vendor Responses, Bid Opening and Evaluations
- **Contracts and Items:** Award Contracts, Create Searchable Item Catalogs, Manage Contract Amendments

Procure to pay
- **Items and Catalogs (Contract Line Items):** Catalog Management
- **Buying:** Purchase Requisitions, Purchase Orders, Change Orders, Receipts and Returns
- **Invoicing:** Receiving, Invoice Processing, Credit Notes

Where are we and what's next?

Nov-Feb	Mar-Jun	Jun-Jul	Jul-Sep	Oct
Design	**Build**	**Test**	**Train**	**Go-live**
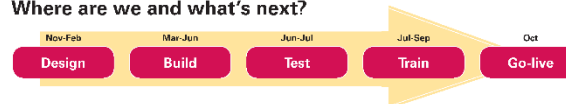
Question about S2P?
Contact your agency Change Agent.
Not sure who your change agent is, contact us at: spos2p@azcoa.gov

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PDF
Adobe Acrobat Document

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- Hard copies will be distributed to Agency PIOs on Friday, May 4th
- The file will be emailed to Lead Change Agents on the same day

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Learning Approach and Scope

The scope of this program and training plan consists of the implementation of the following Ivalua functionality:

Vendor Management

- **Vendor Portal:** Vendor Registration, Full Enrollment, Account Management
- **Vendor Management:** Vendor Evaluation, Improvement Plans, Exception Management
- **Purchasing Intelligence:** Analytics and Dashboard

Source to Contract

- **Strategic Sourcing:** Prepare Sourcing Projects, Create and Distribute Solicitations, Vendor Responses, Bid Opening and Evaluations, Award Solicitations
- **Contracts and Items:** Contract Authoring and Lifecycle
- **Purchasing Intelligence:** Analytics and Dashboard

Procure to Pay

- **Items and Catalogs (Contract Line Items):** Catalog Management
- **Procurement:** Purchase Requisitions, Budget Creation, Purchase Orders, Change Orders, Receipts and Returns
- **Invoicing:** Accruals, Invoicing, Credit Notes, Payments
- **Services Procurement:** (requires specific service category and agency participation)
- **Purchasing Intelligence:** Analytics and Dashboard, Procurement Project Management

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Training Timeline

Month:	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
# of Weeks:	4	4	5	4	5	4	4	5	5	4

Activities:

Training Strategy (6 weeks)

Training Material Development (16 Weeks)

Train-the-Trainer (4 weeks)

Go-Live Oct 15 ⭐

End User Training (6 weeks)

Post Go-Live Support (12 weeks)

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Training Curriculums

Curriculum 1: S2C Training	Course Name	Course Length (hours)
	Preparing a Sourcing Project	1
	Creating and Distributing Solicitations	2
	Bid Opening and Evaluation	1
	Awarding a Solicitation	1
	Contract Authoring and Management	2
	S2C Reporting	.5
	Catalog Management	2
	Total:	**9.5**

Curriculum 2: Invoicing Training	Course Name	Course Length (hours)
	Invoicing	4
	Total:	**4**

Curriculum 3: Requisitions and Receiving Training	Course Name	Course Length (hours)
	Creating and Editing Requisitions	2.5
	Sending Vendor Notifications	.5
	Creating Receipts and Returns	1
	Reviewing and Approving Purchase Requisitions	1
	Total:	**5**

Curriculum 4: Ivalua Basics and Vendor Management Training	Course Name	Course Length (hours)
	Ivalua Fundamentals for Agency Users	.5
	Performance Assessments for Procurement Users	.75
	Exceptions and Improvement Plans for Agency Users	.5
	Total:	**1.75**

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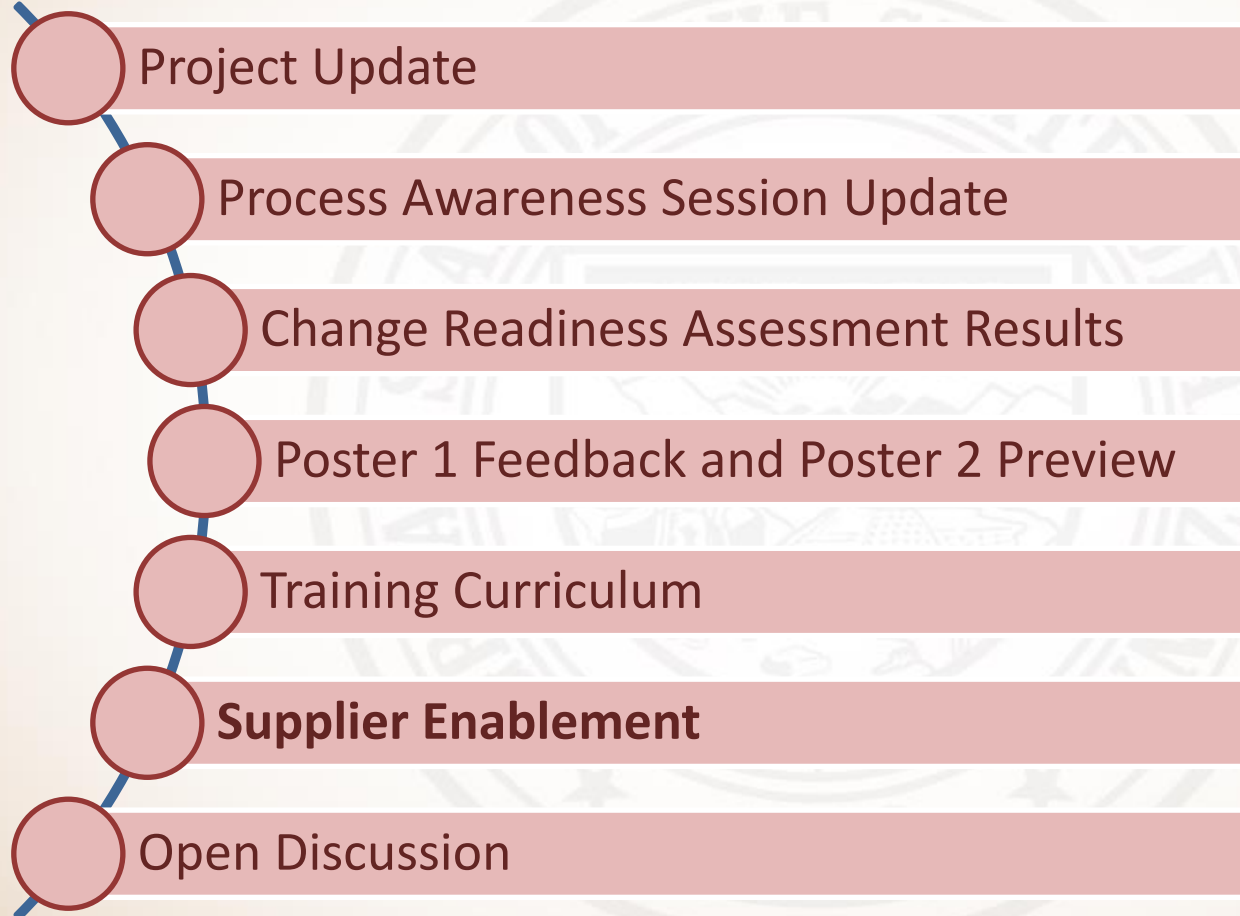
Supplier Enablement vs. Vendor Management

- Vendor Management is focused on how the state works with new vendors to get them enrolled and **performance evaluations and account management processes for all suppliers fully enrolled** in the system.
- Supplier Enablement will assist existing suppliers in migrating to the new system. This will include specific activities for targeted suppliers, as well as, **communication and training** for suppliers in preparation for Go-Live in October 2018

Supplier Process	Supplier Population Impact	Vendor Management	Supplier Enablement
Registration and Enrollment	NEW suppliers	✓	
Migration and Auto-Enrollment (from ProcureAZ and AFIS)	EXISTING suppliers		✓
Account Management	ALL fully enrolled suppliers	✓	
Performance Evaluations	ALL fully enrolled suppliers	✓	
Communication	EXISTING suppliers		✓
Training	NEW and EXISTING suppliers		✓

What is Supplier Enablement?

Supplier Enablement aims to maximize supplier adoption in order to capitalize on investments by effectively informing, educating, and changing supplier behavior.

Enablement Strategy & Value

Create a timeline and framework for success/achievement including communication and contact with suppliers

Determine a selection and approach criterion for enablement

Content and Catalog Enablement

Change Management

Determine methods to incent and persuade, drive, and enable supplier adoption

Measure & Refine Strategy

Develop and champion support model post go-live

PROCESSES

INFRASTRUCTURE

ENABLEMENT

EDUCATION

TESTING

SUPPORT

MATERIALS

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Supplier Scope Considered for Enablement Activities

UNIVERSAL POPULATION

- Complete population of suppliers in ProcureAZ:
    - Suppliers that have responded to solicitations
    - Suppliers that have transacted with state in the past and present

CLEANSED SUBSET

- Modified list of suppliers (based on State-led data cleanse) that will be migrated and automatically enrolled into Ivalua
- Suppliers will be notified on enrollment and be given the opportunity to make profile adjustments as needed

NEW SUPPLIERS

- New suppliers will be vetted by the State's onboarding process (in Ivalua) defined by the Vendor Management registration and enrollment process
    - Once a supplier is registered and confirmed as a non-duplicate entry, the supplier will be invited to complete the enrollment process

Universal Population

ProcureAZ

Data Cleansing, Migration & Enrollment

Ivalua

Cleansed Subset

Inclusive of:
- **All active contracts**
- **Active suppliers with PO, bid and quote activity since 1/1/16**
- **AFIS payments since 1/1/16**
- **Suppliers containing a complete profile**

Supplier Enablement Scope

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Supplier Enablement Approach

The Supplier Enablement approach below is tailored to the *cleansed subset* of suppliers. The approach encompasses the *three critical tracks* to maximize supplier adoption of Ivalua.

1

PROCUREAZ SUPPLIER DATA CLEANSE

- Manually cleanse and assess ProcureAZ / AFIS supplier data against defined migration / enrollment criteria to assess supplier readiness and suitability for Ivalua migration

- **Confirm the completeness and accuracy with agency leads, collect agency specific requests, and revise the list as needed**.

2

CATALOG / PO / INVOICE ENABLEMENT

- Identify catalog, and PO/Invoice cXML supplier candidates.

- Test and enable up to 10 punch-out catalogs
- Test and enable up to 5 hosted catalogs (internally and externally managed)
- Test and enable up to 10 cXML PO and Invoice transmission records

- Define processes for maintaining and updating attributes changes.

3

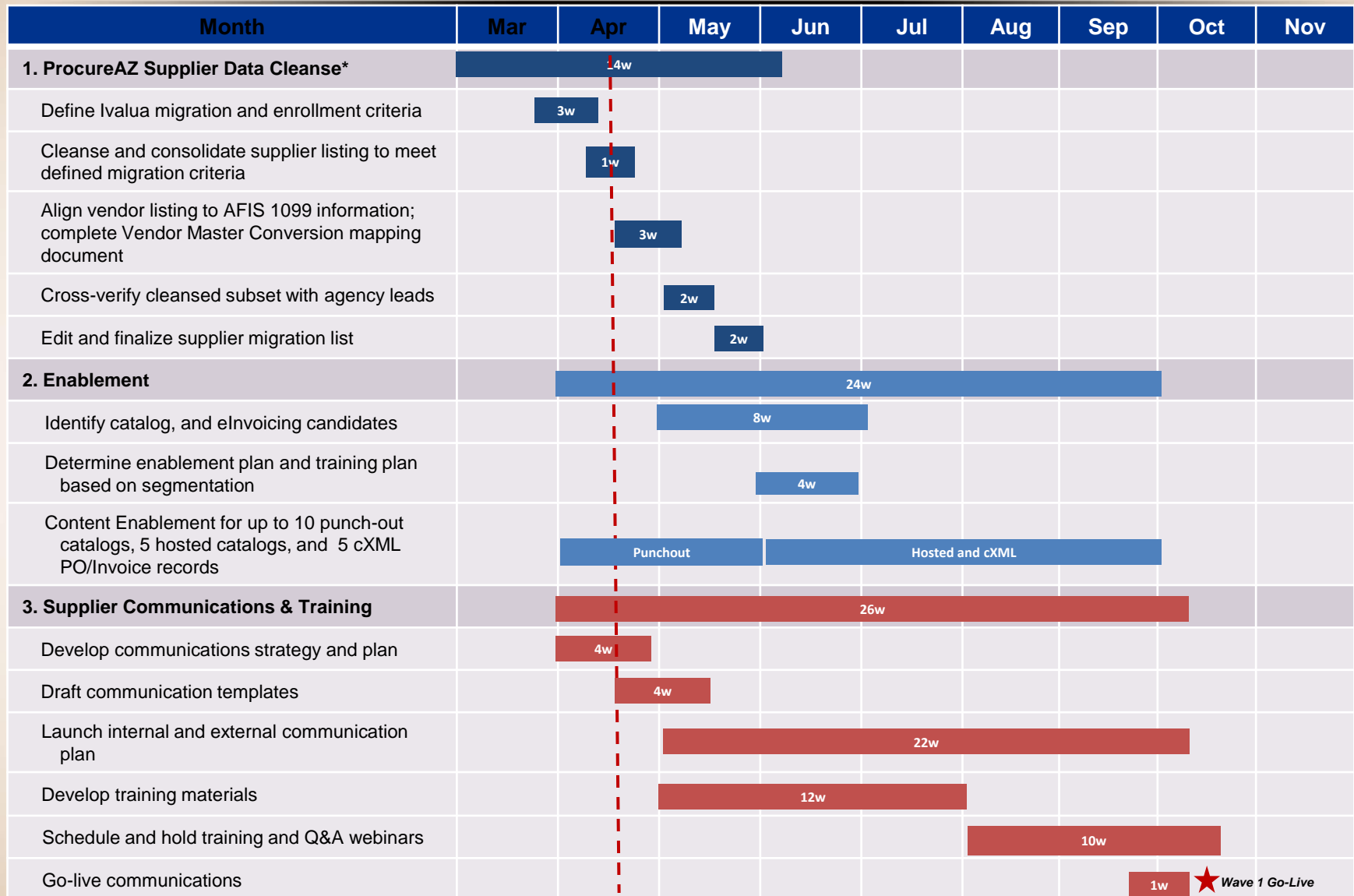## SUPPLIER COMMUNICATION AND TRAINING

- Develop communications and training plan for subset of suppliers

- Inform suppliers about upcoming changes and impacts to their processes through various methods of communication.

- Train suppliers on how to use the chosen methods of interaction with Ivalua (i.e, Hyperlink through Email, ISP, Supplier Hosted Catalogs)
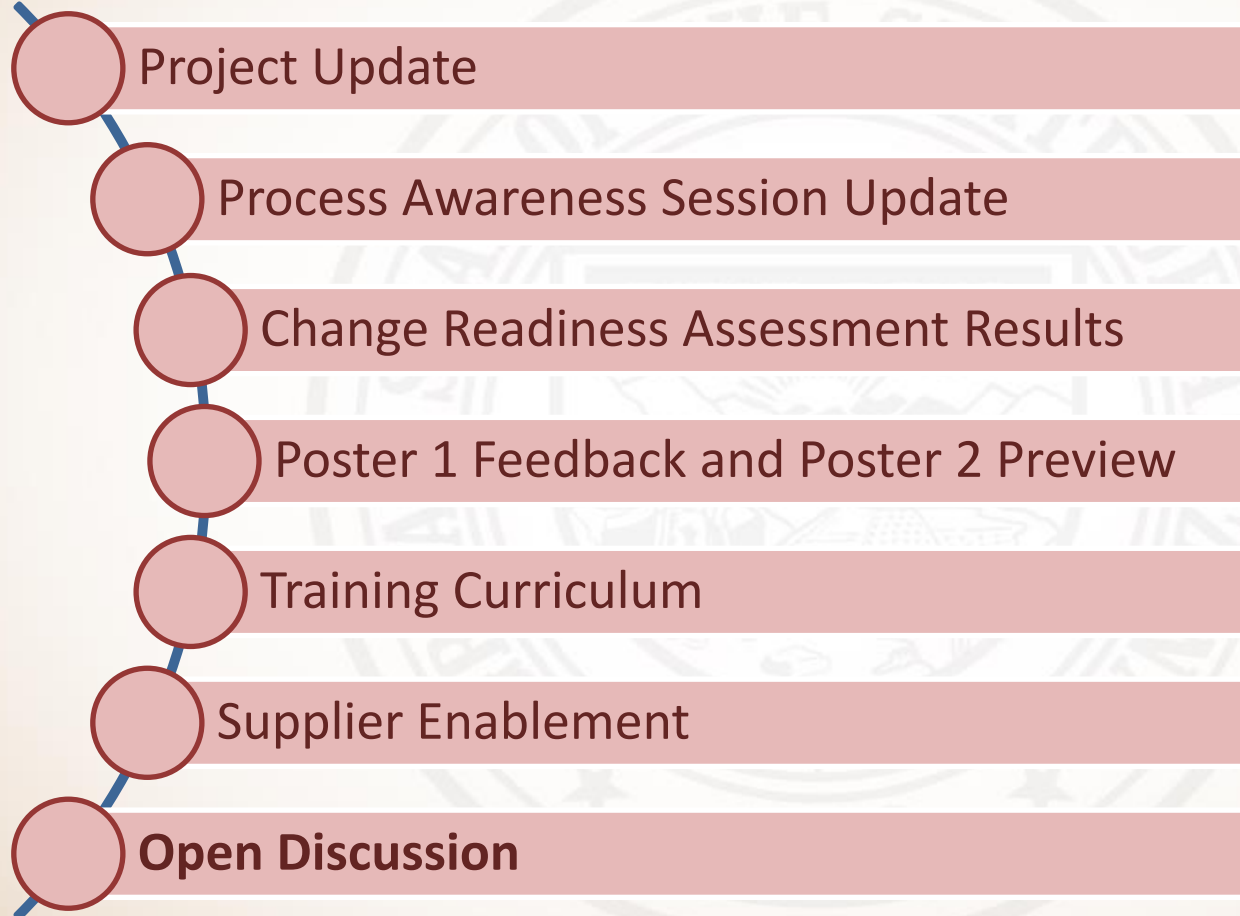
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Supplier Enablement Roadmap

Month	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
1. ProcureAZ Supplier Data Cleanse*	14w								
Define Ivalua migration and enrollment criteria		3w							
Cleanse and consolidate supplier listing to meet defined migration criteria		1w							
Align vendor listing to AFIS 1099 information; complete Vendor Master Conversion mapping document			3w						
Cross-verify cleansed subset with agency leads				2w					
Edit and finalize supplier migration list				2w					
2. Enablement		24w							
Identify catalog, and eInvoicing candidates			8w						
Determine enablement plan and training plan based on segmentation				4w					
Content Enablement for up to 10 punch-out catalogs, 5 hosted catalogs, and 5 cXML PO/Invoice records		Punchout		Hosted and cXML					
3. Supplier Communications & Training		26w							
Develop communications strategy and plan		4w							
Draft communication templates		4w							
Launch internal and external communication plan			22w						
Develop training materials			12w						
Schedule and hold training and Q&A webinars						10w			
Go-live communications								1w ★ Wave 1 Go-Live	

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Actions Items and Next Steps

- Encourage agency end users to participate in Process Awareness sessions. Send follow up email after initial invitations are sent If you need contact information for all of your agency users please email **spos2p@azdoa.gov**.

- Share Change Readiness results during agency departmental meetings. Use the slides from the deck. If you want more specifics about your agency, send a note to **spos2p@azdoa.gov.**

- Check to see if posters are displayed at your agency. Work with your agency PIO to post any missing posters.

- Provide an overview of the training curriculum during your agency departmental meeting (at least slide 20).

- Share Supplier Enablement highlights during your agency departmental meeting (Slide 25 provides a good summary of activities).

What support do you need?

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Thank you

Please send questions to spos2p@azdoa.gov.